

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 02-29
)	
ECS, INC., Lennox K. Nishimura,)	
Glenn T. Karamatsu and Vincent)	
Miyagawa,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around November, 2001, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents ECS, Inc. ("ECS"), Lennox K. Nishimura ("Nishimura"), Glenn T. Karamatsu ("Karamatsu") and Vincent Miyagawa ("Miyagawa"). Business Registration Division records list as officers of ECS, Lennox Nishimura; President, Vincent K. Miyagawa; Vice Director and Treasurer, Karen K. Loui; Secretary and Glenn Karamatsu; Vice Director. ECS is registered as doing business in general engineering; whose business address is 615 Piikoi Street, Suite 207, Honolulu, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, ECS, Nishimura, Miyagawa, Karamatsu and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.

- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 1. On or around November, 2001, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Harris 2000 campaign committee ("Harris"), Friends of Ben campaign committee ("Cayetano"), Friends of Mazie Hirono campaign committee ("Hirono"), and Friends of James "Kimo" Apana campaign committee ("Apana"), initiated an investigation involving contributions in violation of sections 11-204(a) and 11-202, HRS.
 2. Section 11-202, HRS reads in part as follows: no person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or

committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.

3. Section 11-204(a)(1)(B), HRS, read in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:....A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.
4. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
5. Section 11-204(h), HRS reads in part as follows: an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
6. Relatives and employees of the principals, including Nishimura, Miyagawa and Karamatsu made contributions totaling at least \$78,000 to the Harris, Cayetano, Hirono and Apana campaigns from 1996 through 2001.

7. Contributions to Harris for this period by relatives and employees of the principals, including Nishimura, Miyagawa and Karamatsu totaled \$30,250.
8. Contributions to Cayetano for this period by relatives and employees of the principals, including Nishimura, Miyagawa and Karamatsu totaled \$25,050.
9. Contributions to Hirono for this period by relatives and employees of the principals, including Nishimura, Miyagawa and Karamatsu totaled \$16,200.
10. Contributions to Apana for this period by relatives and employees of the principals, including Nishimura, Miyagawa and Karamatsu totaled \$6,500.
11. Nishimura made contributions to Harris totaling \$18,800 through the following individuals:

Rene Nishimura, Wife	\$2,600
Russell Nishimura, Brother	\$2,900
Lynette Fujimori, Sister	\$2,300
Karen Loui, Employee	\$2,100
Garrett Masuda, Employee	\$1,300
Leighton Tanouye, Employee	\$1,300
Bert Kami, Employee	\$2,400
Amy Gibo, Wife of Employee	\$1,000
Howard Nishimura, Father	\$2,900

12. Nishimura made contribution to Cayetano totaling \$14,750 through the following individuals:

Lennox Nishimura	\$ 500
Rene Nishimura, Wife	\$1,500
Russell Nishimura	\$2,400
Lynette Fujimori, Sister	\$2,100

Karen Loui, Employee	\$ 600
Leighton Tanouye, Employee	\$ 200
Elaine Tonouye, Wife of Leighton	\$ 600
Bert Kami	\$ 800
Christopher Gibo, Employee	\$2,600
Dean Pang, Employee	\$2,000
Howard Nishimura, Father	\$1,450

13. Nishimura made contributions to Hirono totaling \$11,700 through the following individuals:

Lennox Nishimura	\$1,800
Rene, Nishimura, Wife	\$2,000
Russell Nishimura, Brother	\$ 900
Lynette Fujimori, Sister	\$ 900
Karen Loui, Employee	\$ 800
Garrett Masuda, Employee	\$ 500
Leighton Tanouye, Employee	\$ 800
Bert Kami, Employee	\$ 900
Christopher Gibo, Employee	\$ 900
Michael Izutsu, Employee	\$ 500
Howard Nishimura, Father	\$1,700

14. Nishimura made contributions to Apana totaling \$3,500 through the following individuals:

Howard Nishimura, Father	\$ 500
Rene Nishimura, Wife	\$ 500
Russell Nishimura, Brother	\$ 500
Lynette Fujimori, Sister	\$ 500
Karen Loui, Employee	\$ 500
Garrett Masuda, Employee	\$ 500
Christopher Gibo, Employee	\$ 500

15. Karamatsu made contributions to Harris totaling \$6,000 through the following individuals:

Glenn Karamatsu	\$3,000
Bessie Karamatsu, Mother	\$1,200
Grant Karamatsu, Son	\$ 800
Richard Karamatsu, Brother	\$1,000

16. Karamatsu made contributions to Cayetano totaling \$4,500 through the following individuals:

Bessie Karamatsu, Mother	\$1,000
Laraine Karamatsu, Wife	\$ 900
Richard Karamatsu, Brother	\$ 900
Glenn Karamatsu	\$ 900
Grant Karamatsu, Son	\$ 800

17. Karamatsu made contributions to Hirono totaling \$1,700 through the following individuals:

Glenn Karamatsu	\$1,200
Bessie Karamatsu, Mother	\$ 500

18. Karamatsu made contributions to Apana totaling \$2,000 through the following individuals:

Bessie Karamatsu, Mother	\$ 500
Glenn Karamatsu	\$1,000
Grant Karamatsu, Son	\$ 500

19. Miyagawa and family members made contributions to Cayetano totaling \$5,800 as follows:

Vincent Miyagawa	\$ 800
Janet Miyagawa, Mother	\$2,500
Stephen Miyagawa, Father	\$2,500

20. Miyagawa and family members made contributions to Harris totaling \$5,450 as follows:

Janet Miyagawa, Mother	\$1,000
Stephen Miyagawa, Father	\$1,600
Joann Miyagawa, Wife	\$2,850

21. Miyagawa and family members made contributions to Hirono totaling \$2,800 as follows:

Janet Miyagawa, Mother	\$1,800
------------------------	---------

Vince Miyagawa

\$1,000

22. Janet Miyagawa, made a \$1,000 contribution to Apana.
23. Nishimura acknowledges providing funds to relatives and employees (not including himself and wife) to make contributions to Harris, Cayetano, Hirono and Apana totaling \$39,850 for the period of the investigation.
24. Karamatsu acknowledges providing funds to relatives (not including himself and wife) to make contributions to Harris, Cayetano, Hirono and Apana totaling \$8,100 for the period of the investigation.
25. That ECS did not file an organizational report pursuant to section 11-194, HRS.
26. That ECS did not file any disclosure reports pursuant to sections 11-212 and 11-213, HRS.
27. That ECS did not file state contractor reports pursuant to section 11-205.5, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #02-29, ECS, Nishimura, Miyagawa and Karamatsu understands and agrees to the following:

- (A) Nishimura and Karamatsu agrees to an assessment of
Forty-nine Thousand Three Hundred Dollars (\$49,300)
pursuant to section 11-228, HRS.

- (1) For violation of section 11-202, HRS, making campaign contributions in the name another person to the Harris, Cayetano, Hirono and Apana campaign committees from 1996 through 2001.
 - (2) For violation of section 11-204(a)(1)(B) and (C), HRS, making excess campaign contributions to the Harris, Cayetano and Hirono campaign committees for the election period; and
 - (3) For violation of sections 11-194, 11-205.5, 11-212 and 11-213, HRS, failure to file an organizational report and required disclosure reports.
- (B) ECS and principals Nishimura, Miyagawa and Karamatsu agree to comply with campaign finance statutes on contribution and expenditures to candidate committees.
 - (C) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

X. This Agreement constitutes the entire agreement between the Commission and ECS, Nishimura, Miyagawa and Karamatsu on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENTS:

Lennox Nishimura
Vincent Miyagawa
Glenn Karamatsu

By: _____

Date: _____